



HOUSE OF REPRESENTATIVES

SB 1216

charitable donations; tax credit amounts

Prime Sponsor: Senator Yarbrough, LD 17

DP Committee on Ways and Means

DPA Caucus and COW

X House Engrossed

OVERVIEW

SB 1216 increases the amount a taxpayer may claim as a tax credit for contributions made to a charitable organization.

PROVISIONS

1. Increases the amount of tax credit a taxpayer may claim for contributions to a qualifying charitable organization from \$200 to \$400 for individuals and \$400 to \$800 for married couples.
2. Increases the amount of tax credit a taxpayer may claim for contributions to a foster care charitable organization from \$400 to \$500 for individuals and from \$800 to \$1000 for married couples.
3. Allows a taxpayer to receive separate tax credits for voluntary cash contributions to a qualifying charitable organization and to a qualifying foster care charitable organization.
4. Contains a retroactive effective date of January 1, 2016.

CURRENT LAW

A taxpayer may receive a tax credit for up to \$200 for individuals and \$400 for married couples for making voluntary cash contributions to a qualifying charitable organization. The cap rises to \$400 for individuals and \$800 for married couples if the organization is a qualifying foster care charitable organization. Taxpayers are required to report the name of the charitable organization and the amount of contribution to the Department of Revenue (DOR). Each qualifying charitable organization is required to provide DOR with a written certification that it meets all the criteria to be considered a qualifying charitable organization. *Qualifying charitable organization* is defined as a nonprofit organization that spends at least 50% of its budget on services to residents. *Qualifying foster care charitable organization* is defined as a qualifying charitable organization that provides services to at least 200 foster children and spends at least 50% of its budget on services to foster children (A.R.S. 43-1088).